



US Army Corps
of Engineers
St Paul District

APPLICANT: Keewatin Taconite
(U.S. Steel
Corporation,
Minnesota Ore
Operations)

Public Notice

ISSUED: 11 February 2004
EXPIRES: 12 March 2004

REFER TO: 04-00215-TWP

SECTION: 404 - Clean Water Act

1. APPLICATION FOR PERMIT TO discharge fill material in 44.6 acres of wetland, tributary to the Prairie River, for expansion of Keewatin Taconite's (formerly National Steel Pellet Company) open-pit mine and mine dump.

2. SPECIFIC INFORMATION.

APPLICANT'S ADDRESS: U.S. Steel Corporation
Minnesota Ore Operations
P.O. Box 217
Keewatin, Minnesota 55753-0217

CONTACT: LaTisha Gietzen, Environmental Engineer
(218) 778-8672

PROJECT LOCATION: The project site is located in Sec. 15 and 22, T. 57N., R. 22W, Itasca County, Minnesota. The approximate UTM coordinates are Zone 15, 5251000 North, 490500 East.

DESCRIPTION OF PROJECT:

Keewatin Taconite's (Keetac) (Formerly National Steel Pellet Company) current permit (96-04859-TWP) expired on December 31, 2003. Over the past several months Keetac has been in contact with the Corps regarding permitting of a proposed mine-pit and mine dump expansion. The permit would include anticipated impacts which would occur over the next 3 years of operation.

The applicant is proposing to expand their open-pit mine and mine dump area by approximately 335 acres. The expansions would result in the loss of approximately 44.6 acres of wetlands, in 16 locations. Several of the wetlands (Wetlands 10 and 12, and possibly 13, 14, and 15, shown on Fig. 5, attached) are adjacent to the Prairie River, a tributary of the Mississippi River.

Permit 96-04859-TWP authorized the draining, excavation, and/or discharge of fill material in 107.6 acres of wetland. Of the wetland impacts permitted, 72.8 acres have been impacted, and 34.8 acres have not been impacted by mining activities and are not anticipated to be impacted in the future.

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The current application requests authorization to impact a total of 44.6 acres of wetland, including 15.3 acres for expansion of the open-pit mine (wetlands 1 through 8 on Fig. 5), and 29.3 acres for the mine dump expansion (wetlands 9 through 16 on Fig. 5).

QUANTITY, TYPE, AND AREA OF FILL: The proposed expansion would result in the loss of 44.6 acres of wetland, in 16 locations. The wetland impact areas vary in size from 0.01 acres to 6.58 acres, and are shown on Fig. 5, attached. Wetland areas 1 through 8 are located in the mine pit expansion area, while wetland areas 9 through 16 are within the proposed mine dump (stockpile) area.

VEGETATION IN AFFECTED AREA: The impacted wetlands include wet meadow, shallow marsh, deep marsh, scrub/shrub, forested wetlands, and/or combinations/mosaics of these wetland types. A breakdown of the types and areas of wetlands impacted is shown on Fig. 6, attached.

MITIGATION: Due to the location of ore bodies, the fact that this is an on-going mining operation, equipment requirements, and cost, the applicant determined that the proposed wetland impacts could not be avoided. The applicant believes that all practical and feasible measures to minimize wetland impacts have, or would, be incorporated into their operating plan. Measures to minimize wetland impacts, including road alignments, stockpile location, and stockpile height, have been incorporated into past and proposed activities at the site.

As compensation for wetlands lost due to mining operations, the applicant has created 135 acres (verified to date) of shallow/deep marsh wetland in abandoned areas of their tailing disposal area located in Sec. 4, 31, 32, and 33, T. 56N., R. 21W., and Sec. 1, 12, and 36, T. 57N., R. 22W., Itasca County, Minnesota. The wetland creation project was initiated to compensate for wetland impacts authorized by DOA permit 96-04859-TWP, with excess credits proposed to be banked for future projects. Although a final delineation of the created wetlands and a final survey have not been completed, the applicant anticipates that an additional 15 acres, or more, of wetland have developed at the site.

Of the 135 acres of wetland credit at the mitigation site, 81.2 acres have been used for the loss of 72.8 acres of wetlands authorized by DOA Permit 96-04859-TWP (mitigation ratio 1.115:1 (acres of replacement:acres of impact)), leaving a balance of 53.8 acres of wetland credit remaining. (The applicant has requested that DOA Permit 96-04859-TWP be modified to require mitigation only for those wetland areas which were actually impacted).

The current mitigation ratio required by the St. Paul District, Corps of Engineers, for the proposed expansion is 1.5:1 (acres of mitigation:acres of impact). Therefore, 66.9 acres of mitigation will be required for the 44.6 acres of proposed wetland impact. Subsequently, the proposal would require 13.1 acres of wetland credit in addition to that verified as having developed at the mitigation site.

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The applicant is confident that the wetland acreage created at the mitigation site is actually 150 acres or more. If so, the site would provide adequate mitigation to offset the wetland impacts of currently proposed project. The applicant has stated that should the mitigation site result in less than 139.7 acres of created wetlands, (72.8 acres of credit used for DOA Permit 96-04839-TWP plus 66.9 acres of credit required for the current proposal) it would be expanded as required.

SOURCE OF FILL MATERIAL: All fill materials would be obtained on site.

SURROUNDING LAND USE: The Town of Keewatin and U.S. Highway 169 are located to the south of the mine site, and the Town of Kelly Lake and Hibbing Taconite Company are located to the east. The areas to the north and west are generally undeveloped.

DESCRIPTION OF STRUCTURE: The structures at Keetac include a number of buildings for processing ore and associated activities. No additional structures which would impact wetlands are proposed at this time.

DESCRIPTION OF DREDGING OR EXCAVATION: The mining operations at Keetac include drilling, blasting, loading, and hauling of taconite ore and stripping materials, and are conducted on a 24 hour-per-day, 365 day-per-year basis. Crude ore is loaded into large haul trucks (190 to 240 ton-capacity) using large electric and/or hydraulic shovels (14 to 22 cubic-yard-capacity) and loaders and is then hauled to the crusher. Approximately 18 to 22 million long-tons of crude ore are mined from the pit on an annual basis. All of the various stripping materials are hauled by truck to the appropriate mine dumps (stockpiles).

Keetac has one contiguous active mine area that has been expanding toward the west. Mining activities in the east end of the pit are being eliminated due to ore quality and the increased stripping required (due to the depth of material overlying the ore) to uncover the ore located to the south of the existing pit.

THE FOLLOWING POTENTIALLY TOXIC MATERIALS COULD BE USED AT THE PROJECT SITE: The use of large mining equipment on the site could result in occasional spills of oil, hydraulic fluid, or other petroleum products.

Blasting is done by drilling a pattern of holes and using ammonium nitrate (NH_4NO_3) and fuel oil as the blasting agent. However, the ammonium nitrate and fuel oil are consumed during the blast and should not be introduced into the groundwater or adjacent surface waters.

No other potentially toxic materials would be used at the project site.

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THE FOLLOWING PRECAUTIONS TO PROTECT WATER QUALITY HAVE BEEN DESCRIBED BY THE APPLICANT: The applicant currently has permits from the Minnesota Department of Natural Resources (DNR) and the Minnesota Pollution Control Agency (MPCA), which contain provisions to protect water quality, including, reclamation guidelines for abandoned mine areas, contouring of benches to eliminate or reduce run-off and erosion, the use of settling basins to treat run-off before it leaves the site, and other standard practices.

3. REPLIES/COMMENTS.

Interested parties are invited to submit to this office written facts, arguments, or objections within 30 days of the date of this notice. These statements should bear upon the suitability of the location and the adequacy of the project and should, if appropriate, suggest any changes believed to be desirable. Comments received may be forwarded to the applicant.

Replies may be addressed to Regulatory Branch, St. Paul District, Corps of Engineers, 1554 Highway 2, Suite 2, Two Harbors, MN 55616.

Or, IF YOU HAVE QUESTIONS ABOUT THE PROJECT, call Tim Peterson at the Two Harbors office of the Corps, telephone number (218) 834-6630.

4. FEDERALLY-LISTED THREATENED OR ENDANGERED WILDLIFE OR PLANTS OR THEIR CRITICAL HABITAT.

None were identified by the applicant or are known to exist in the permit area. However, St. Louis County is within the known or historic range of the following Federally-listed threatened species:

| <u>Species</u> | <u>Habitat</u> |
|-----------------|---|
| Bald eagle (T) | Breeding |
| Gray wolf (T) | Northern forested areas (a primary range county) |
| Canada Lynx (T) | Northern forested areas |

This application is being coordinated with the U.S. Fish and Wildlife Service. Any comments it may have concerning Federally-listed threatened or endangered wildlife or plants or their critical habitat will be considered in our final assessment of the described work.

5. JURISDICTION.

This project comes under the regulatory jurisdiction of the Corps of Engineers because the wetlands are adjacent to the Prairie River, a tributary of the Mississippi River, a navigable water of the United States.

REGULATORY AUTHORITY: This application will be reviewed according to the provisions of Section 404 of the Clean Water Act. Therefore, our public interest review will consider the guidelines set forth under Section 404(b) of the Clean Water Act (40 Code of Federal Regulations 230).

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THE APPLICANT HAS STATED THAT THE FOLLOWING STATE, COUNTY, AND/OR LOCAL PERMITS HAVE BEEN APPLIED FOR/ISSUED: The applicant has been issued appropriate permits by the Minnesota Department of Natural Resources (DNR) and the Minnesota Pollution Control Agency (MPCA).

6. STATE SECTION 401 WATER QUALITY CERTIFICATION.

Valid Section 404 permits cannot be issued for any activity unless state water quality certification for the activity is granted or waived pursuant to Section 401 of the Clean Water Act. The state Section 401 authority in Minnesota is the Minnesota Pollution Control Agency (MPCA). The St. Paul District has provided this public notice and a copy of the applicant's Section 404 permit application form to the MPCA. If MPCA needs any additional information in order for the Section 401 application to be considered complete by MPCA, the MPCA has indicated that it will request such information from the applicant. It is the permit applicant's responsibility to ensure that the MPCA has received a valid, complete application for state Section 401 certification and to obtain a final Section 401 action from the MPCA.

The MPCA has indicated that this public notice serves as its public notice of the application for Section 401 water quality certification under Minnesota Rules Part 7001. The MPCA has also indicated that the Section 401 process shall begin to commence upon the issuance date of this public notice unless the MPCA notifies both the St. Paul District and the permit applicant to the contrary, in writing, before the expiration date of this public notice.

The MPCA has eliminated the staffing resources for the Section 401 certification program due to budgetary limitations. Due to staff reductions, MPCA is intending to waive many section 401 certification applications with limited exceptions but the MPCA reserves the right and authority to proceed differently if extreme or unique circumstances merit a different approach. In many cases, the waiver of 401 certification means that the MPCA has not reviewed federally permitted projects in detail for conformance with state water quality standards nor has the MPCA made a determination of the proposal's compliance with state water quality standards. This waiver action, however, will not exempt the applicant from the responsibility of complying with all applicable water quality standards and requirements as contained in Minn. R. ch. 7050 and all other applicable state rules regarding water quality. The applicant will need to make a self-determination of water quality compliance of their proposal. In the event of water quality violations caused by the applicant's project, enforcement action may be taken by the MPCA.

Any comments relative to MPCA's intention to waive Section 401 Certification for the activity proposed in this public notice may be sent to:

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Minnesota Pollution Control Agency
Regional Environmental Management Division
Attention 401 Certification
520 Lafayette Road North
St. Paul, Minnesota 55155-4194

7. HISTORICAL/ARCHAEOLOGICAL.

This public notice is being sent to the National Park Service, the State Archaeologist, and the State Historic Preservation Officer to determine if there are known cultural resources which may be affected by the described work. Any unknown archaeological, scientific, or historical data could be lost or destroyed by the work described in the permit application. However, the latest version of the National Register of Historic Places has been consulted and no listed properties (known to be eligible for inclusion, or included in the Register) are located in the project area.

8. PUBLIC HEARING REQUESTS.

Any person may request, in writing, within the comment period specified in this notice, that a public hearing be held to consider this application. Requests for public hearings shall state, in detail, the reasons for holding a public hearing. A request may be denied if substantive reasons for holding a hearing are not provided or if there is otherwise no valid interest to be served.

9. PUBLIC INTEREST REVIEW.

The decision whether to issue a permit will be based on an evaluation of the probable impact, including cumulative impacts, of the proposed activity on the public interest. That decision will reflect the national concern for both protection and utilization of important resources. The benefit which reasonably may be expected to accrue from the proposal must be balanced against its reasonably foreseeable detriments. All factors which may be relevant to the proposal will be considered, including the cumulative effects. Among those are conservation, economics, aesthetics, general environmental concerns, wetlands, cultural values, fish and wildlife values, flood hazards, floodplain values, land use, navigation, shoreline erosion and accretion, recreation, water supply and conservation, water quality, energy needs, safety, food and fiber production and, in general, the needs and welfare of the people. Environmental and other documents will be available for review in the St. Paul District Office.

The Corps of Engineers is soliciting comments from the public; Federal, State, and local agencies and officials; Indian tribes; and other interested parties in order to consider and evaluate the impacts of this proposed activity. Any comments received will be considered by the Corps of Engineers to determine whether to issue, modify, condition, or deny a permit for this proposal. To make this decision, comments are used to assess impacts on endangered species,

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historic properties, water quality, general environmental effects, and the other public interest factors listed above. Comments are used in the preparation of an Environmental Assessment and/or an Environmental Impact Statement pursuant to the National Environmental Policy Act. Comments are also used to determine the need for a public hearing and to determine the overall public interest of the proposed activity.

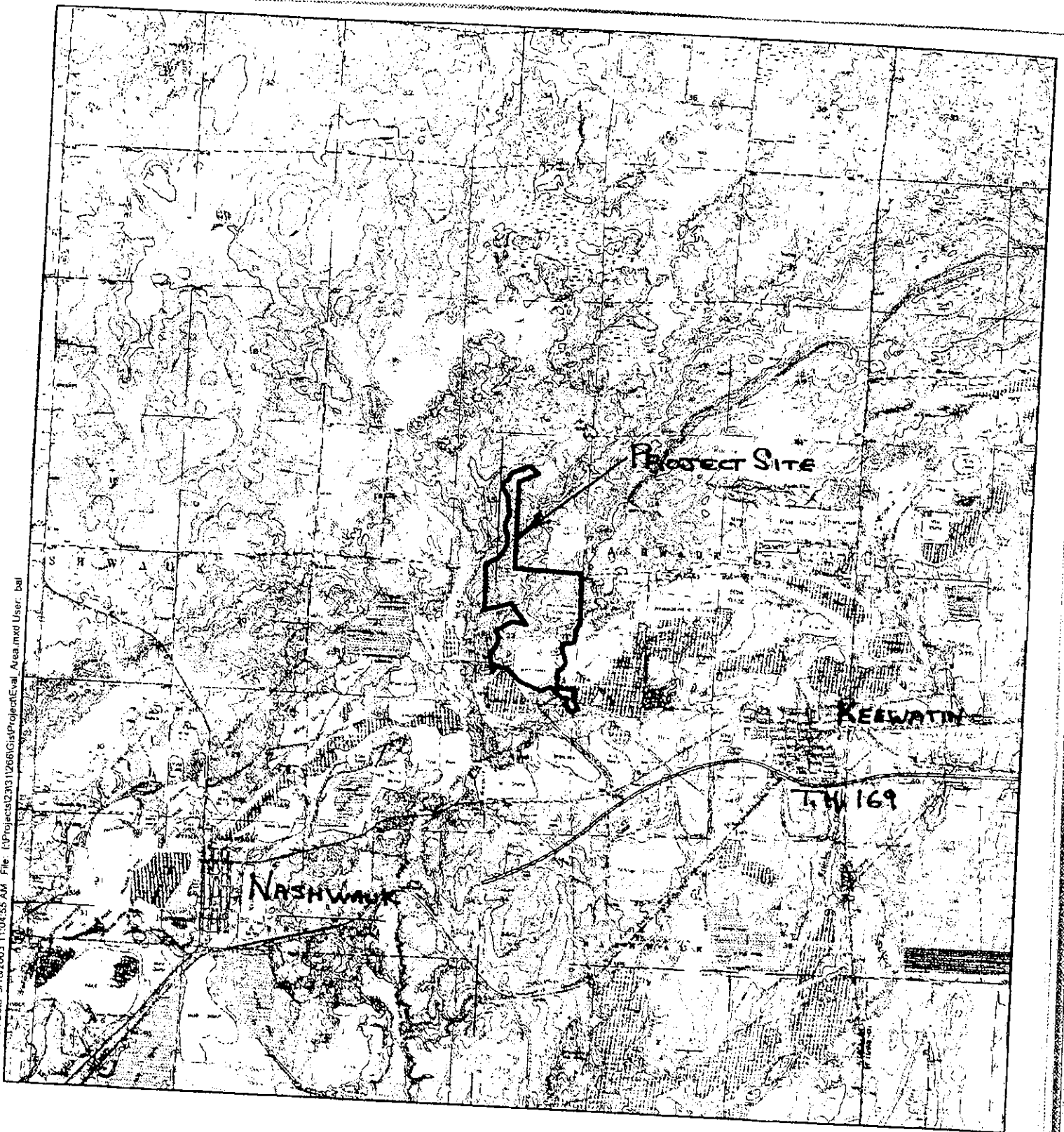


Juliett Denton
Chief, Out-State Minnesota Section

Enclosures

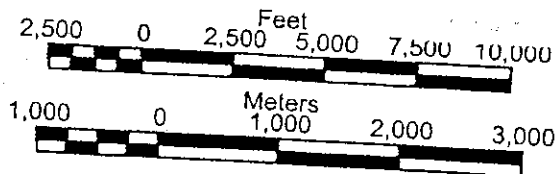
NOTICE TO EDITORS: This public notice is provided as background information and is not a request or contract for publication.

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04-00215-TWP
Fig. 2

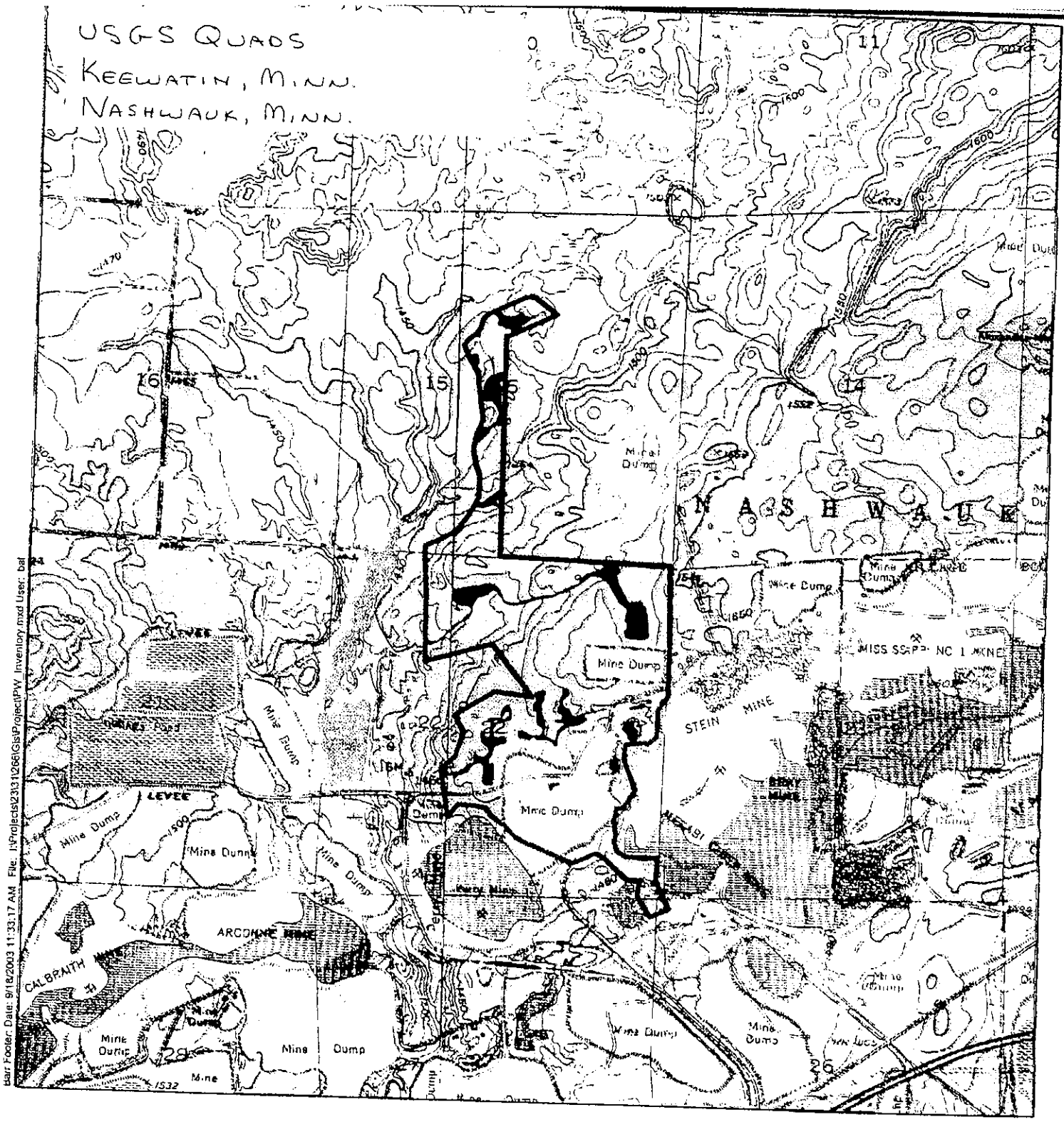
Wetland Evaluation Area






EVALUATION AREA
Keewatin Taconite
Nashua, Minnesota

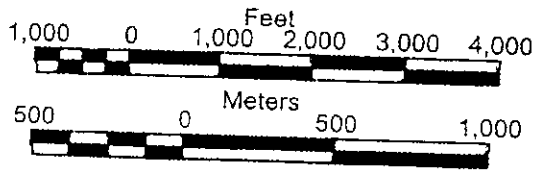
USGS QUADS
KEEWATIN, MINN.
NASHWAUK, MINN.

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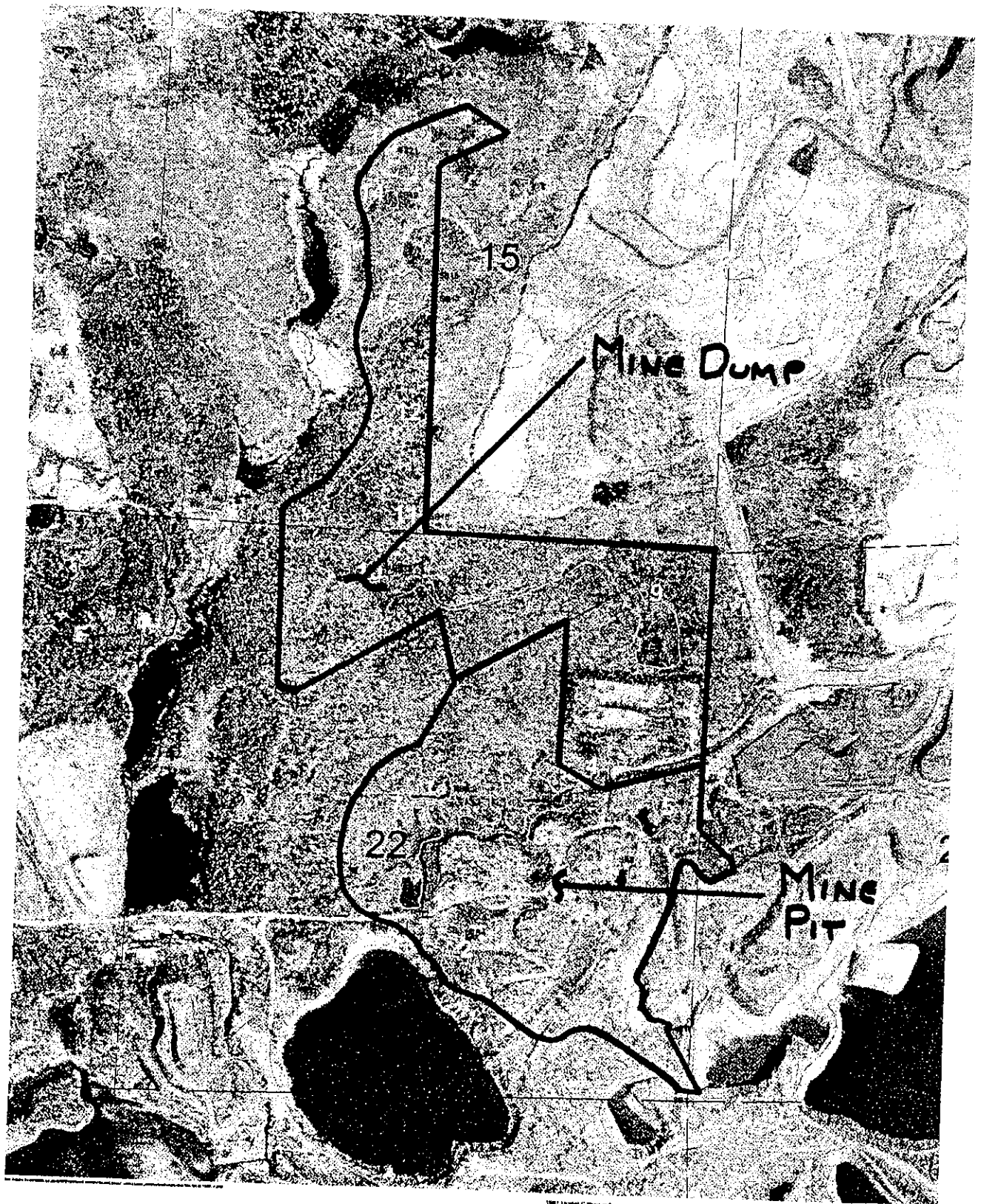


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Fig. 3

-  Wetland Evaluation Area
-  Wetland Area
-  Protected Water



DNR PROTECTED WATERS
INVENTORY MAP
Keewatin Taconite
Nashwauk, Minnesota



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Fig. 4





1-16 wetlands. See Fig. 6
for details

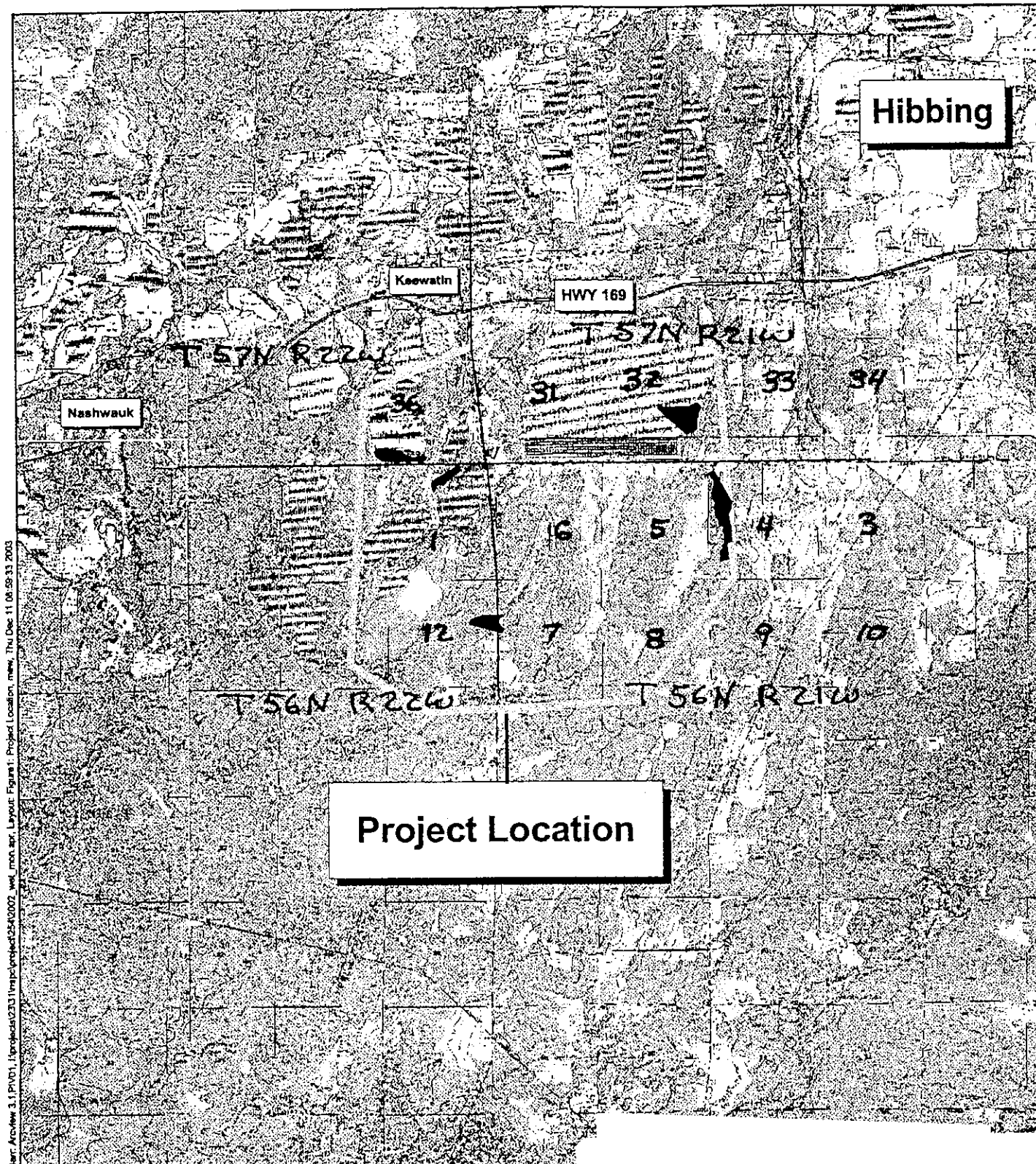


2003 WETLAND
IMPACT AREAS
Keewatin Teconite
Keewatin, Minnesota

Table 1: Summary of the Wetland Impacts
Revised 11/20/03

| Wetland Identification | Wetland Location | Wetland Size (Acres) | Wetland Type | Circular 39 Type | Cowardin Classification | Area (Acres) |
|------------------------|---------------------|----------------------|--------------|------------------|-------------------------|--------------|
| Wetland No. 1 | SE NE SW 22 57N 22W | 22 | 57N | Type 4 | PEMF/G | 1.21 |
| Wetland No. 2 | SW NW SE 22 57N 22W | 22 | 57N | Type 2/3 | PEMB/C | 0.01 |
| Wetland No. 3 | SW NW SE 22 57N 22W | 22 | 57N | Type 3 | PEM1C | 0.31 |
| Wetland No. 4 | SW SE NE 22 57N 22W | 22 | 57N | Type 3/4 | PEM1Cd/UBG | 0.14 |
| Wetland No. 5 | SE SE NE 22 57N 22W | 22 | 57N | Type 4 | PEMF/ABG | 1.37 |
| Wetland No. 6 | NE NE SE 22 57N 22W | 22 | 57N | Type 4 | PEMF/ABG | 1.37 |
| Wetland No. 7 | NE SE SW 22 57N 22W | 22 | 57N | Type 4 | PEMF | 0.75 |
| Wetland No. 7 | SE SE NW 22 57N 22W | 22 | 57N | Type 2/3/6 | PEMB/C/SSC | 5.07 |
| Wetland No. 7 | NW NW SE 22 57N 22W | 22 | 57N | Type 2/3/6 | PEMB/C/SSC | 5.07 |
| Wetland No. 7 | NW NW SE 22 57N 22W | 22 | 57N | Type 2/3/6 | PEMB/C/SSC | 5.07 |
| Wetland No. 8 | SW NE NE 22 57N 22W | 22 | 57N | Type 2/3/6 | PEMB/C/SSC | 5.07 |
| Wetland No. 8 | SW SE NE 22 57N 22W | 22 | 57N | Type 7 | PFOB | 6.44 |
| Wetland No. 8 | NW SE NE 22 57N 22W | 22 | 57N | Type 7 | PFOB | 6.44 |
| Wetland No. 9 | NE NE NE 22 57N 22W | 22 | 57N | Type 7 | PFOB | 6.44 |
| Wetland No. 9 | NW NE NE 22 57N 22W | 22 | 57N | Type 6 | PSS1C/FOB | 9.84 |
| Wetland No. 10 | NW NE NE 22 57N 22W | 22 | 57N | Type 6 | PSS1C/FOB | 9.84 |
| Wetland No. 10 | NW NE NE 22 57N 22W | 22 | 57N | Type 6/7 | PSS1C/FOB/C | 5.17 |
| Wetland No. 11 | SE SE SW 15 57N 22W | 15 | 57N | Type 6/7 | PSS1C/FOB/C | 5.17 |
| Wetland No. 12 | NE SE SW 15 57N 22W | 15 | 57N | Type 2/6 | PEM1B/SS1B | 0.01 |
| Wetland No. 13 | NE SE SW 15 57N 22W | 15 | 57N | Type 6 | PSS1C | 3.48 |
| Wetland No. 13 | SE SE NW 15 57N 22W | 15 | 57N | Type 6 | PSS1/2B | 6.58 |
| Wetland No. 14 | SE SE NW 15 57N 22W | 15 | 57N | Type 6 | PSS1/2B | 6.58 |
| Wetland No. 15 | NW SW NE 15 57N 22W | 15 | 57N | Type 6/7 | PSS/FO1/2B | 1.46 |
| Wetland No. 15 | NE SE NW 15 57N 22W | 15 | 57N | Type 6/7 | PSS/FO1B | 2.66 |
| Wetland No. 16 | NE SE NW 15 57N 22W | 15 | 57N | Type 6/7 | PSS/FO1B | 2.66 |
| Wetland No. 16 | NE SE NW 15 57N 22W | 15 | 57N | Type 2 | PEM1B | 0.08 |
| TOTAL | | | | | | 14.58 |

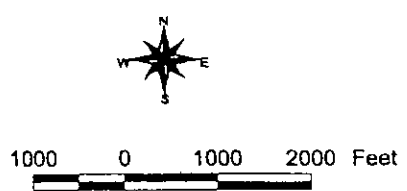
¹ U.S. Fish and Wildlife Service, Circular 39 Classification System
² U.S. Fish and Wildlife Service, Cowardin Classification System



Bar: ArcView 3.1 (PVD), \sprojects\0331\map\project2540002_wet_mon\ar Layout: Figure1: Project Location, new, Thu Dec 11 08:59:33 2003

MN Quadrange, USGS: Hibbing (1953), Keewatin (1976), Nashwauk (1969), Pongilly (1999), Riley (1969), & Silica

04-00215-TWP
Fig. 7



LEGEND
 Mitigation Areas
 Reference Wetlands
 1-34 section numbers

PROJECT LOCATION
 Wetland Mitigation Monitoring Report
 Keewatin Taconite
 Keewatin, Minnesota

DEPARTMENT OF THE ARMY
St. Paul District, Corps of Engineers
Army Corps of Engineers Centre
190 Fifth Street East
St. Paul, Minnesota 55101-1638

OFFICIAL BUSINESS
REGULATORY BRANCH
CO-R

